



PRESS RELEASE

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IRS – Criminal Investigation

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Former Enzyme Company Owner Sentenced to Prison for Filing False Tax Returns and Perjury

An Indiana resident was sentenced to more than two years in prison for filing false federal income tax returns and perjury, announced Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department's Tax Division.

Jared E. Hochstedler, 40, of Fort Wayne, Indiana, was sentenced to 27 months in prison, one year of supervised release and ordered to pay \$1,232,739 in restitution to the Internal Revenue Service (IRS). According to court documents, Hochstedler pleaded guilty on Feb. 26 to two counts of willfully filing false income tax returns for 2008 and 2009 and one count of committing perjury during a deposition conducted by the U.S. Securities and Exchange Commission (SEC).

Hochstedler owned Enzyme Environmental Solutions (EESO), a company focused on creating cleaning products using enzymes. As the owner of EESO, Hochstedler participated in stock exchanges of EESO stock with third party companies for which he received more than \$2.8 million. Hochstedler failed to report these funds as income on his 2008 and 2009 individual income tax returns. In addition, Hochstedler received loans from these third party companies which he did not repay. Hochstedler used a substantial portion of the loan proceeds for personal expenditures and failed to report that income on his tax returns. In 2009, Hochstedler also sold stock in another company for more than \$1 million and failed to report the full amount of the proceeds as a capital gain on his 2009 tax return.

In June 2009, in the course of an investigation, the SEC deposed Hochstedler under oath regarding the stock transactions he executed with the third parties. During the deposition, the SEC inquired about the details of the transactions and Hochstedler lied about the nature of the transactions and the amount of money he received.

Acting Assistant Attorney General Ciralo commended special agents of IRS-Criminal Investigation, who investigated the case and Trial Attorneys Richard M. Rolwing and Christopher P. O'Donnell of the Tax Division, who prosecuted the case. Acting Assistant Attorney General Ciralo also commended the SEC for its work on the related civil matter, prior to the initiation of this criminal case.

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